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DORGAN WILL VOTE AGAINST GREENSPAN'S RE-APPOINTMENT AS FED BOARD CHAIRMAN

(WASHINGTON, D.C.) — U.S. Senator Byron Dorgan (D-ND) said Wednesday he will vote against the re-appointment of Alan Greenspan as Federal Reserve Board Chairman, saying Greenspan has been “consistently wrong” about inflation and unemployment and that his monetary policy has cost Americans “billions of dollars in needlessly high interest rates.”

“I think our monetary policy needs to change,” Dorgan said in a speech delivered on the floor of the United States Senate. “I don’t share the Fed’s view that our country is growing too fast and I don’t believe we have too few people unemployed.”

Dorgan said Greenspan’s policies have kept real interest rates too high. The four interest rate hikes he engineered just since last June cost North Dakota farmers \$23 million a year in added interest costs, or about an average of \$719 per farm. Over five years, Dorgan said that amounts to \$115 million in additional interest costs to North Dakota farmers, or an average of about \$3,600 per farm over five years.

Off the farm, a typical North Dakota household has seen its interest charges go up by an average \$356 per year – or \$1,780 over five years – just from the four interest hikes implemented by Greenspan’s Federal Reserve Board since last June.

“The Federal Reserve Board is imposing a tax on every single American with these interest rate hikes,” Dorgan said. “These rate hikes are unjustifiable because the Federal Reserve Board is searching for inflation that doesn’t exist. Inflation has gone down, down, way down, all the while the Federal Reserve Board has been insisting the fires of inflation are just around the corner. The Fed has been consistently wrong about that.”

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